

Message Text

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INFO OCT-01 ISO-00 SSO-00 CCO-00 /031 R

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FM SECSTATE WASHDC

TO AMEMBASSY JIDDA NIACT IMMEDIATE

INFO AMEMBASSY ADDIS ABAB

AMCONSUL JERUSALEM

S E C R E T STATE 090234

EXDIS TOSEC 162

E.O. 11652: GDS

TAGS: PFOR, EAID, SA, ET

SUBJECT: SAUDI INQUIRY ABOUT ADVISABILITY OF AID TO
ETHIOPIA

REFERENCE: JIDDA 2183; ADDIS ABABA 4648

1. FOLLOWING IS SUGGESTED REPLY TO BE GIVEN MINSTATE SAQQAF
IN ANSWER TO HIS QUERIES ABOUT ETHIOPIA.

2. WE CERTAINLY ARE NOT CONFIDENT THAT WE FULLY COMPRE-
HEND CURRENT INTERNAL DEVELOPMENTS IN ETHIOPIA AND WE
DOUBT THAT OUTLOOK IS CLEAR TO ANYONE. PREDICTING
FUTURE COURSE OF POLITICAL EVOLUTION THERE IS THEREFORE
HAZARDOUS. HOWEVER, OUR BEST PRESENT ESTIMATE IS THAT
NEITHER OF "SITUATION REPORTS" SAQQAF HAS RECEIVED IS
ACCURATE, AND TRUE SITUATION LIES SOMEWHERE IN BETWEEN.
THAT IS, IT IS NOT TRUE THAT EMPEROR IS FULLY IN CONTROL

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AND THAT RADICAL ELEMENTS NO LONGER POSE A THREAT. NOR

IS IT TRUE THAT EMPEROR IS A PRISONER OF RADICALS AND A
RADICAL REGIME IS ABOUT TO BE INSTALLED OPENLY.

3. RECENT DEVELOPMENTS HAVE CERTAINLY HAD CONSEQUENCE
OF REDUCING EMPEROR'S ABILITY TO CONTROL EVENTS IN HIS
COUNTRY AND A LARGE NUMBER OF DISSIDENT ELEMENTS,
INCLUDING FACTIONS OF THE MILITARY, ARE NOW COMPETING TO
SEE HOW MUCH OF THE POWER VACUUM THEY CAN FILL. WE ARE
NOT ABLE TO PREDICT A LONG TENURE FOR THE PRESENT

GOVERNMENT HEADED BY CONSERVATIVE ENDALKATCHEW MAKONNEN,
BUT MOST LIKELY SUCCESSOR GOVERNMENT WOULD BE A MILITARY
ONE, PROBABLY OF MODERATE ORIENTATION. THERE ARE RADICAL
ELEMENTS IN ETHIOPIAN AIR FORCE, BUT WE BELIEVE ARMY AND
NOT AIR FORCE WOULD DOMINATE ANY SUCCESSOR GOVERNMENT.
OTHER RADICALS SUCH AS STUDENTS HAVE LITTLE OR NO CHANCE
OF COMING TO POWER.

4. WE BELIEVE LONG-TERM ORIENTATION ADDIS REGIME LIKELY
BE BEST INFLUENCED AT THIS JUNCTURE BY HELP FROM FRIENDS.
EVEN IF THIS CABINET DOESN'T SURVIVE, NEXT GOVERNMENT
LIKELY BE MILITARY OR DEPENDENT TO EVEN GREATER EXTENT
ON MILITARY FOREBEARANCE. IN ESSENCE IT IS COUNTRY OF
ETHIOPIA THAT IS WORTHY OF SUPPORT AS IT STRUGGLES WITH
ITS CURRENT DIFFICULTIES AND TRIES TO WORK OUT ITS
FUTURE. ALTHOUGH WE DO NOT WISH TO TRY TO TELL SAG
WHAT IT OUGHT TO DO ABOUT EMPEROR'S REQUEST FOR MASSIVE
FINANCIAL SUPPORT, WE CONSIDER SAUDIS HAVE IMPORTANT
INTEREST IN ETHIOPIAN STABILITY: (A) STRATEGIC SIGNIFI-
CANCE OF HORN HAS SHIFTED OUT OF A CONTINENTAL AFRICAN
CONTEXT INTO AN INDIAN OCEAN COMPLEX AND ITS RELATION TO
THE ARABIAN PENINSULA AND PERSIAN GULF; (B) ORIENTATION
OF HORN AREA IN GENERAL WILL HAVE SPECIAL IMPORTANCE BE-
CAUSE OF ITS PROXIMITY TO TANKER ROUTES; AND (C) OUR MU-
TUAL INTERESTS IN AREA WOULD BEST BE SERVED BY CONTINUED
PRESENCE OF A FRIENDLY REGIME IN ETHIOPIA.

5. FOLLOWING WOULD BE OUR SUGGESTIONS FOR POSSIBLE AREAS
OF SAUDI HELP:

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(A) CONTINUATION AND POSSIBLE INCREASE IN CURRENT ASSIST-
ANCE IN FORM OF FINANCING FOR IMPORT OF FOODSTUFFS AND
MEDICINES. THESE HELP ETHIOPIAN PEOPLE, WHO ARE SUFFERING
SERIOUS DROUGHT, AND THIS PROGRAM DOES NOT IMPLY ASSOCIA-
TION WITH ONE ETHIOPIAN GOVERNMENT OR ANOTHER.

(B) AID-IN-KIND IN FORM OF DONATION OF CRUDE OIL. IT IS
ESTIMATED THAT OIL PRICE INCREASE WILL COST ETHIOPIA AN

ADDITIONAL U.S. DOLS 35-50 MILLION ANNUALLY OF ITS FOREIGN EXCHANGE RESERVES. IF SAG WERE TO DONATE THIS AMOUNT OF CRUDE IT WOULD PERMIT IEG TO DEVOTE AN EQUIVALENT AMOUNT OF ITS OWN RESOURCES TO DEVELOPMENT PROGRAM OR DROUGHT RELIEF. DELIVERY OF DONATED CRUDE WOULD BE SPREAD OUT OVER TIME AND COULD BE TERMINATED AT ANY TIME SHOULD INTERNAL DEVELOPMENTS IN ETHIOPIA CAUSE SAG TO DECIDE IT WISHED TO END ITS HELP TO THAT COUNTRY.

(C) IEG ALSO HAS HIGH-PRIORITY REQUIREMENT FOR ADDITIONAL MILITARY EQUIPMENT AND IT WOULD BE MOST HELPFUL IF SAG WERE TO CONSIDER ASSISTING IEG FINANCING PURCHASE OF HIGH-PRIORITY MILITARY EQUIPMENT NEEDS WHICH USG CANNOT PROVIDE.

6. FYI. ENDALKATCHEW GOVERNMENT HAS MADE URGENT APPEAL TO USG FOR INCREASED MILITARY ASSISTANCE BECAUSE OF MILITARY DISPARITY WITH SOMALIA IN OGADEN AND IRRESISTIBLE PRESSURES FROM MID-LEVEL OFFICERS OVER REGIME'S FAILURE TO REDRESS BALANCE. WHILE WE DO NOT SHARE IEG'S ASSESSMENT THAT SOMALIA ABOUT TO LAUNCH MILITARY ADVENTURE IN OGADEN, FACT IS WITH RECENT SOVIET DELIVERIES OF 15 MIG-21 AIRCRAFT AND SERIOUS IMBALANCES IN ARMOR, SOMALIS DO HAVE SIGNIFICANT ADVANTAGE IN THESE EQUIPMENT CATEGORIES. SOMALIS, HOWEVER, HAVE SERIOUS SHORTCOMINGS IN MAINTENANCE AND LOGISTICS THAT ARGUE AGAINST DIRECT MILITARY ATTACK, ALTHOUGH RESURGENCE OF OGADEN INSURGENCY ALWAYS POSSIBLE. WE TEND TO PUT MORE WEIGHT ON POLITICAL PRESSURES ADDIS REGIME APPARENTLY UNDER BECAUSE OF MILITARY IMBALANCE AND DISSATISFACTION AMONG ETHIOPIAN MILITARY GENERATED BY NEW SOVIET ARMS IN SOMALIA. CONSEQUENTLY, WE WOULD LIKE TO HELP IEG AS BEST WE CAN, AND WE CURRENTLY REVIEWING IEG REQUEST OF DOLS 155 MILLION OF URGENTLY NEEDED EQUIPMENT. BECAUSE
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OF CONGRESSIONAL DOLS 40 MILLION CEILING ON TOTAL MILITARY AID TO AFRICA, MOST USG CAN CONSIDER IS PRESENTLY PLANNED GRANT PROGRAM OF ABOUT DOLS 12 MILLION AND DOLS 10 MILLION IN CREDIT. INDICATIVE OF LEVEL OF REGIME'S ANXIETY IS PROFESSED WILLINGNESS PAY CASH FOR ITEMS FOR WHICH WE NOT ABLE PROVIDE FINANCIAL ASSISTANCE.

7. FYI CONTINUED. IN TALKS WITH IEG WE HAVE ASKED WHETHER THEY MIGHT BE ABLE TO SEEK FINANCIAL ASSISTANCE FOR ARMS PURCHASES FROM FRIENDLY POWERS IN AREA (WE HAD IN MIND SAUDI ARABIA AND IRAN). RESPONSE WAS THAT IEG NEEDS WERE URGENT AND THERE WAS NO TIME FOR NEGOTIATIONS THAT SUCH AID WOULD REQUIRE. TIMELY SAG OFFER OF HELP IN FINANCING ETHIOPIAN ARMS REQUIREMENTS WOULD GO A LONG WAY TOWARD REASSURING IEG. AT SAME TIME WE

RECOGNIZE THAT SAG MAY FIND IT POLITICALLY DIFFICULT TO
OFFER MILITARY AID TO NON-MUSLIM GOVERNMENT ENGAGED IN
SUPPRESSING PREDOMINATELY MUSLIM REBELLION IN ERITREA AND
CONFRONTING SOMALIA, A MUSLIM STATE AND FELLOW MEMBER OF
ARAB LEAGUE. END FYI.

8. ABOVE ARE SUGGESTIONS FOR SAG'S CONSIDERATION. WE
SEE NO REASON WHY ANY AID OF KINDS RECOMMENDED ABOVE
WOULD END UP IN SWISS BANK ACCOUNTS OR IN POCKETS OF
RADICALS. IT SEEMS TO US THAT EASIEST FORM OF AID,
WHICH WOULD ALSO FREE IEG RESOURCES FOR USE ACCORDING TO
THEIR OWN PRIORITIES, WOULD BE DONATION IN KIND OF CRUDE
OIL IN AMOUNT OF THEIR INCREASED IMPORT BILL FOR THIS
COMMODITY. RUSH

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, ECONOMIC ASSISTANCE, ARMED FORCES, PETROLEUM, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAY 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE090234
Document Source: CORE
Document Unique ID: 00
Drafter: NEA/ARP:B. WRAMPELMEIER:JR
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740105-0667
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740579/aaaacswj.tel
Line Count: 183
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: JIDDA 2183; ADDIS ABABA 4648
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2002 by shawdg>; APPROVED <13 JAN 2003 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SAUDI INQUIRY ABOUT ADVISABILITY OF AID TO ETHIOPIA
TAGS: PFOR, EAID, SA, ET, (SELASSIE, HAILE)
To: JIDDA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005